



ALABAMA DEPARTMENT OF REVENUE

Application to Local Granting Authority for Abatement of Taxes

Noneducational Sales and Use Taxes, Noneducational Property Taxes, and/or Mortgage and Recording Taxes on Industrial Development Property

This form is to be submitted to the local granting authority for their consideration in granting an abatement of all state and local noneducational property taxes, all construction related transaction (sales and use) taxes, except those local construction related transaction taxes levied for educational purposes or for capital improvements for education, and/or mortgage and recording fees, in accordance with the provisions of Section 40-9B-1 et seq., Code of Alabama 1975.

1. TYPE OF ABATEMENT APPLYING FOR:	2. PROJECT SIC CODE:				
<input type="checkbox"/> Sales & Use Taxes <input type="checkbox"/> Property Taxes <input type="checkbox"/> Mortgage & Recording Taxes	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td></tr></table>				

3. TYPE OF PROJECT:
<input type="checkbox"/> New Project <input type="checkbox"/> Major Addition To An Existing Facility

4. DOES MAJOR ADDITION EQUAL THE LESSER OF: (CHECK APPLICABLE BOX)
<input type="checkbox"/> \$2,000,000 OR <input type="checkbox"/> 30% of original cost of existing property, original cost \$

5. PROJECT APPLICANT:	DBA:
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6. ADDRESS OF APPLICANT:

CITY:	STATE:	ZIP CODE:
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7. NAME OF CONTACT PERSON:	TELEPHONE NUMBER: ()	8. DATE COMPANY ORGANIZED:
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9. PHYSICAL LOCATION OF PROJECT:

CITY (IF OUTSIDE CITY LIMITS, PLEASE INDICATE):	COUNTY:	ZIP CODE:
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10. BRIEF DESCRIPTION OF PROJECT (PLEASE ATTACH A COMPLETE AND DETAILED LISTING OF PROJECT PROPERTY COSTS TO ENABLE A COST/BENEFIT ANALYSIS BY GRANTING AUTHORITY):

11. ESTIMATED DATE CONSTRUCTION WILL BEGIN:	12. ESTIMATED DATE CONSTRUCTION WILL BE COMPLETED:	13. ESTIMATED DATE PROPERTY WILL BE PLACED IN SERVICE:
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14. HAVE BONDS BEEN ISSUED FOR PROJECT:	15. WILL BONDS BE ISSUED FOR PROJECT
<input type="checkbox"/> No <input type="checkbox"/> Yes If yes, date bonds issued:	<input type="checkbox"/> No <input type="checkbox"/> Yes If yes, projected date of issue:

16. ESTIMATED NUMBER OF NEW EMPLOYEES	17. ESTIMATED ANNUAL PAYROLL OF NEW EMPLOYEES	Estimated Investment for Project	18. COST OR VALUE FOR PROPERTY TAX	19. COST SUBJECT TO SALES TAX
INITIALLY	INITIALLY	a. Land (if donated, show market value)	18a	XXXXXXXXXXXX
YEAR 1	YEAR 1	b. Existing Building(s) (if any)	18b	XXXXXXXXXXXX
YEAR 2	YEAR 2	c. Existing Personal Property (if any)	18c	XXXXXXXXXXXX
YEAR 3	YEAR 3	d. New Building(s) and/or New Additions to Existing Building(s) (19d = building materials only)	18d	19d
This form may be used as the application to the local granting authority required by Section 40-9B-6(a), Code of Alabama 1975. The information requested here is required by Section 40-9B-6 and Section 40-2-11(7), Code of Alabama 1975.		e. New Manufacturing Machinery	18e	19e
		f. Other New Personal Property (non-mfg machinery, office equipment, computers, etc.)	18f	19f
		g. TOTALS (PROPERTY TAX TOTAL MUST EQUAL TOTAL PROJECT INVESTMENT. SALES TAX TOTAL WILL BE LESS.)	18g	19g

The abatement of noneducational property taxes is based on the market value of specific assets; therefore, the actual amount of taxes abated is determined each year as the property is assessed and valued. An abatement of noneducational sales and use taxes shall apply only to tangible personal property and taxable services incorporated into private use industrial property, the cost of which may be added to capital account with respect to the property, determined without regard to any rule which permits expenditures properly chargeable to capital account to be treated as current expenses. No abatement of sales and use taxes shall extend beyond the date private use industrial property is placed in service. A verification inspection of qualifying property will be conducted by the Alabama Department of Revenue to insure compliance with Section 40-9B-1 et seq., Code of Alabama 1975, as amended.

I hereby affirm that to the best of my knowledge and belief the information in this application and any accompanying statement, schedules, and other information is true, correct and complete.

NAME (PRINT)	SIGNATURE	TITLE	DATE
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Instructions for Preparing the Application for Abatement of Noneducational Sales and Use Taxes, Noneducational Property Taxes, and/or Mortgage and Recording Taxes on Industrial Development Property

GENERAL INSTRUCTIONS

Chapter 9B, Title 40, Code of Alabama 1975, provides for an abatement of all state and local noneducational property taxes, all construction related transaction taxes (sales and use taxes), except those local construction related transaction taxes levied for educational purposes or for capital improvements for education, and/or all mortgage and recording taxes.

This form is to be submitted to the local granting authority for consideration in granting an abatement of noneducational sales and use taxes, noneducational property taxes, and/or mortgage and recording taxes. **If you have any questions about this form or the abatement of taxes in general, please contact the Alabama Department of Revenue at (334) 242-1175.**

A complete and detailed listing of project costs should be attached to this application in order for the granting authority to make a cost/benefit analysis in accordance with Section 40-9B-6(a).

LINE BY LINE INSTRUCTIONS

Item 1. Indicate which type(s) of abatement(s) being requested.

Sales and Use Taxes – Chapter 9B, Title 40, Code of Alabama 1975, provides for the abatement of certain noneducational sales and use taxes imposed by Chapter 23 of Title 40, Code of Alabama 1975. The abatement applies to the tangible personal property and taxable services incorporated into the project, the cost of which may be added to the capital account with respect to the project. However, only the state and local noneducational sales and use taxes may be abated. No sales and use tax abatement shall extend beyond the date the project is placed in service.

Property Taxes – Chapter 9B, Title 40, Code of Alabama 1975, provides for the abatement of noneducational property taxes imposed by the state, counties, municipalities and other taxing jurisdictions in Alabama. Only industrial property not previously placed in service in Alabama by the user or a related party may be eligible for an abatement of noneducational property taxes.

Mortgage And Recording Taxes – Chapter 9B, Title 40, Code of Alabama 1975, provides for the abatement of all taxes imposed by Chapter 22 of Title 40 of the Code of Alabama 1975, relating to mortgages, deeds, and documents used to issue or secure obligations and convey title into or out of the name of a public authority.

Item 2. Enter the Standard Industrial Classification Code of the project as published by the United States Government Office of Management and Budget. Only projects defined as any trade or business described in the 1987 Standard Industrial Classification (SIC) Major Groups 20 to 39, inclusive, 50 or 51, Industrial Group Number 737, or Industry Numbers 0724, 4613, 8731, 8733, or 8734 shall qualify for an abatement of noneducational sales and use taxes, noneducational property taxes, and/or mortgage and recording taxes, under Section 40-9B-3(6), Code of Alabama 1975.

Item 3. Indicate if project is a new project or a major addition.

New Project – Any business in Alabama at which the predominant trade or business activity conducted will constitute an industrial or research enterprise as defined by the SIC codes in the law. If new project, skip Item 4.

Major Addition – Pursuant to Section 40-9B-3(7), a major addition is an addition to an existing facility in which the addition equals the lesser of thirty (30) percent of the original cost of the existing land, buildings, and equipment (industrial development property), or \$2,000,000, and at which the predominant trade or business activity conducted in Alabama will constitute an industrial or research enterprise as defined by the SIC codes in the law. Capitalized repairs, rebuilds, maintenance, replacement equipment, or cost associated with the renovating or remodeling of existing facilities of industrial development property previously placed in service in Alabama by the Company are not allowed to be abated.

Item 4. Indicate if major addition is in accordance with Section 40-9B-3(7) requirement as denoted above. If major addition does not meet threshold requirement, project is not qualified to receive abatement. Original cost should include the total cost of existing facilities as of the date of application.

Item 5. Enter the name of the private user requesting abatement. If project is doing business under another name, also enter the name of the company under "Doing Business As (DBA)."

Item 6. Enter the address of the private user requesting abatement.

Item 7. Enter the name and telephone number of the person to which all correspondence should be directed regarding the abatement.

Item 8. Enter the date the company was organized.

Item 9. Enter the physical location of the project. Please include a detailed location, including the City, County and Zip Code.

Item 10. Enter a brief description of the project.

Item 11. Enter the estimated date the construction of the project will begin.

Item 12. Enter the estimated date the construction of the project will be completed.

Item 13. Enter the estimated date the project will be placed in service. If revenue bonds are issued, "placed in service," for property tax purposes, is determined as of the date of the initial issuance of such bonds. Otherwise, "placed in service" for sales and use tax and property tax purposes is determined as the later of 1) the date on which title to the property was acquired by or vested in a county, city, or public authority, or 2) the date on which the property is or becomes owned, for federal income tax purposes, by a private user.

Item 14. Indicate if bonds have been issued in financing the project. If bonds have been issued, enter the issuance date. If bonds have not been issued, proceed to Column 16.

Item 15. Indicate if bonds will be issued for financing the project. If bonds will be issued, enter the projected issuance date.

Column 16. Enter the estimated number of new employees to be hired at the project. The law requires the number of employees to be employed at the project initially and in each of the succeeding three years.

Column 17. Enter the estimated annual payroll for employees at the project. The law requires the estimated payroll of new employees initially and in each of the succeeding three years.

Column 18.

18a. Enter all costs or value for project land. If land is donated, enter the market value of the land.

18b. Enter all costs or value for existing building(s), if any.

18c. Enter all costs or value for existing personal property to be incorporated into project. Only personal property not previously placed in service in Alabama by the private user or a related party can be included. If a private user is including existing equipment from outside of Alabama, the existing equipment should be entered here at its original cost.

18d. Enter the total cost for new building(s) and/or new additions to existing building(s). Total cost includes building materials, construction costs, engineering costs, etc. Costs associated with renovating or remodeling existing facilities of an operating industrial or research enterprise do not qualify for abatement.

18e. Enter the total cost for new manufacturing equipment to be incorporated into the project. Replacement equipment does not qualify for abatement. New equipment that is defined as upgraded equipment may qualify. Upgraded equipment is equipment that replaces existing equipment, and performs not only the same functions, but also an additional function.

18f. Enter the total cost for all other new personal property. Other new personal property may include, but is not limited to, non-manufacturing machinery, office equipment, computers, vehicles, etc. Only personal property that is a depreciable item can be included.

18g. Add 18a. through 18f. and enter total here. This is the total amount on which the initial property taxes will be based. This total must be the total value of the cost or investment in the project. This total must agree with the total investment amount in the abatement resolution and the total investment amount in the abatement agreement.

Column 19.

19d. Enter the cost of the building materials (subject to sales tax) that become a part of realty for new building(s) and/or new additions to existing building(s). Other building costs (labor, engineering) are not subject to sales tax.

19e. Enter the cost of new manufacturing equipment for the project. For sales tax purposes, manufacturing equipment is taxed at a lower rate. Equipment that is purchased used from another company in an isolated transaction is not subject to sales tax.

19f. Enter the cost of all other new personal property.

19g. Add 19d. through 19f. and enter total here.